

December 18, 2019

VIA ELECTRONIC MAIL

Alice Stebbins, Executive Director
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Re: Request for Initial Safety Certification under Public Utilities Code Section 8389

Dear Executive Director Stebbins:

In accordance with Public Utilities Code Section 8389(e) and the guidelines set forth in the July 12, 2019, letter from Elizaveta Malashenko, I hereby request on behalf of Golden State Water Company's Bear Valley Electric Service Division ("BVES") an initial safety certification. This cover letter sets forth the requirements for this initial safety certification and explains that BVES meets them. Attachment 1 is my affidavit stating that all of the information contained in this cover letter is true and accurate. A copy of this cover letter and its attachments is available on our public website at www.gswater.com.

1. Section 8389(e)(1): The electrical corporation has an approved wildfire mitigation plan.

BVES filed its wildfire mitigation plan on February 6, 2019. The Commission approved BVES's wildfire mitigation plan in Decision 19-05-040 (issued on June 4, 2019), finding that "Bear Valley Electric Service's Wildfire Mitigation Plan contains the elements required by Public Utilities Code Section 8386(c)." ¹ A copy of BVES's approved wildfire mitigation plan may be found on our public website at www.bves.com.

2. Section 8389(e)(2): The electrical corporation is in good standing, which can be satisfied by the electrical corporation having agreed to implement the findings of its most recent safety culture assessment, if applicable.

The Commission has yet to undertake a safety culture assessment for BVES; nevertheless, BVES is in good standing. BVES has implemented and is in compliance with a state of the art wildfire mitigation plan. According to its plan, BVES will invest more than \$21 million over the next four years in efforts to harden its system and to protect against and mitigate the impacts of wildfires. Currently, BVES is ahead of schedule in connection with its tree attachment removal and pole loading remediation programs. In addition, BVES meets or exceeds the requirements of General Order 95 in respect of vegetation management throughout its system. Further, safety (both for customers and employees) is a key consideration for BVES in all that we do. In conducting operations and executing projects, BVES evaluates the impact on increasing public safety and reducing safety related risk in a

¹ D.19-05-040, at 84 (Ordering Paragraph 14).

quantitative manner as delineated in D.19-04-020 “Phase Two Decision Adopting Risk Spending Accountability Report Requirements and Safety Performance Metrics for Investor-Owned Utilities and Adopting a Safety Model Approach for Small and Multi-Jurisdictional Utilities.” This methodology of quantifying risk mitigation allows BVES management to dedicate resources to the most impactful projects and operations to promote public safety.

3. Section 8389(e)(3): The electrical corporation has established a safety committee of its board of directors composed of members with relevant safety experience.

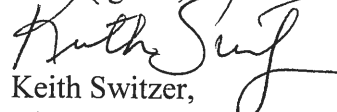
As an unincorporated division of Golden State Water Company (“GSWC”), BVES does not have a distinct board of directors.² Nevertheless, GSWC’s board of directors has established a safety committee composed of members with relevant safety experience. The safety committee’s charter is attached to this cover letter as Attachment 2. The members of this safety committee are Ms. Anne Holloway, Mr. John Fielder, and Mr. Robert Sprowls. The biographies of the committee members are included in Attachment 3.

4. Section 8389(e)(5): The electrical corporation has established board-of-director-level reporting to the commission on safety issues.

GSWC board member, President and Chief Executive Office, Robert Sprowls, is the director designated to report directly to the Commission on safety issues. Mr. Sprowls has more than 36 years of experience working at electrical utilities in the United States and is a member of the safety committee of GSWC’s board of directors.

As set forth above, BVES has met the requirements for an initial safety certification under Section 8389 and hereby requests such certification. Please do not hesitate to contact me with any questions or comments.

Kind regards,



Keith Switzer,
Vice President, Regulatory Affairs

Cc: Elizaveta Malashenko

² In Application 18-12-019, GSWC, GSWC on behalf of BVES, and Bear Valley Electric Service, Inc. (“BVES NewCo”), have filed an application seeking to transfer BVES’s Certificate of Public Convenience and Necessity and all of its electric system assets to BVES NewCo. Upon approval of the application, BVES NewCo’s board of directors will assume responsibility for the electrical corporation, and BVES NewCo will either request that the Commission transfer this initial safety certification to BVES NewCo or seek a distinct initial safety certification for BVES NewCo.

ATTACHMENT 1

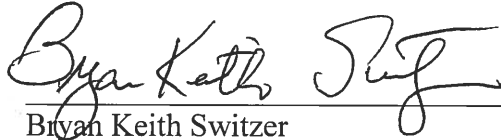
Affidavit of Keith Switzer

AFFIDAVIT

I am an officer of the corporation identified herein and am authorized to make this affidavit on its behalf. I am informed and believe that all of the information set forth in the foregoing document is true and accurate.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 18th day of December, 2019, at San Dimas, California.

A handwritten signature in black ink, appearing to read "Bryan Keith Switzer", is written over a horizontal line.

Bryan Keith Switzer
Vice President, Regulatory Affairs
GOLDEN STATE WATER COMPANY
630 East Foothill Boulevard
San Dimas, CA 91773-9016

ATTACHMENT 2

Safety Committee Charter

SAFETY AND OPERATIONS COMMITTEE CHARTER OF THE GOLDEN STATE WATER COMPANY BOARD OF DIRECTORS (Applicable to the Bear Valley Electric Service Division)

Purposes

The Safety and Operations Committee (“Committee”) of the Golden State Water Company (“GSWC”) Board of Directors (“Board”) shall be responsible for overseeing (i) the preparation of the Bear Valley Electric Service division’s (“BVES’s”) wildfire mitigation plan and the assessment of BVES’s compliance with the plan, (ii) other activities intended to identify wildfire risks and other safety risks related to the operation and maintenance of the BVES electric utility system, (iii) steps taken to reduce such risks and to respond to safety events, and (iv) such other matters as set forth in this charter or delegated to the Committee from time to time by the Board. The oversight role of the Committee with respect to such BVES safety-related matters does not alter management’s safety-related authority, responsibility or accountability.

Organization

The Board shall appoint members of the Committee annually. The Board may remove any member of the Committee at any time with or without cause.

The Committee shall consist of not less than two members of the Board with relevant safety experience.

The Board shall designate one of the Committee members as Chair who shall preside over meetings of the Committee and report any actions or recommendations to the Board. If the Chair is not present at a meeting, the Committee may designate a Chair for such meeting. It is the responsibility of the Chair to schedule all meetings of the Committee and develop a written agenda for all meetings.

General

The Committee shall hold meetings on a regularly scheduled basis and as necessary. One-third of the members of the Committee shall constitute a quorum for the transaction of business, provided that in no event shall a quorum be less than two members. The Committee may determine its own rules of procedure, including notices of meetings. Meetings may be attended in person, by telephone conference, or by video conference. Meetings may be attended by members of the Board that are not Committee members (but are not entitled to vote on Committee matters). At the Committee’s discretion, members of management, legal counsel and/or outside consultants may attend Committee meetings if the Chair determines that their presence is desirable and appropriate.

The Committee shall have unrestricted access to members of management and all information relevant to its responsibilities.

The Chair shall appoint a member of the Committee or an employee of GSWC or legal counsel to take and keep regular minutes of all Committee proceedings. The minutes of each meeting shall

be reviewed and approved, may be reviewed by legal counsel and shall be made available to the Board.

Responsibilities

The Committee shall be responsible for reviewing, approving, modifying, and assessing the effectiveness of, and seeking to improve, BVES's safety culture and its safety programs, policies and practices related to the operation and maintenance of its electric utility system, and for considering actions to prevent, mitigate or respond to wildfires and other BVES risks related to the operation and maintenance of its electric utility system.

The Committee shall be responsible for reviewing, approving, modifying and assessing BVES's safety-related performance metrics related to wildfires and other BVES risks related to the operation and maintenance of its electric utility system.

The Committee shall be responsible for reviewing, approving, modifying and assessing BVES's operations, significant developments, resources, risks and risk mitigation plans related to:

1. The potential of BVES's equipment or operations to cause wildfires;
2. Safety of BVES's equipment, operations and service to its customers and employees;
3. Resilience of BVES's electric system and equipment; and
4. Emergency responses to wildfires and other BVES safety events related to the operation and maintenance of its electric utility system.

The Committee shall report regularly to the Board on deliberations, recommendations and actions taken by the Committee, and shall review the Committee's charter and its performance annually.

The Committee shall perform and carry out such additional functions or activities necessary to fulfill its responsibilities and such other duties as may be assigned by the Board from time to time.

ATTACHMENT 3

Safety Committee Member Biographies

Mr. Robert J. Sprowls

Mr. Sprowls is the President and Chief Executive Officer of American States Water Company and holds similar titles and responsibilities for the company's subsidiaries, Golden State Water Company, or GSWC, and American States Utility Services, Inc. and its subsidiaries, or ASUS.

Mr. Sprowls has served on the American States Water Company board since May 2009 and the boards of the subsidiary companies since his appointment as President and Chief Executive Officer of the company effective January 2009. Mr. Sprowls is a member of the ASUS committee.

Mr. Sprowls is the sole management member of the board of directors. As President and Chief Executive Officer of the company since 2009 and Chief Financial Officer for four years prior to that, Mr. Sprowls has an intimate knowledge of the company and its operations and personnel. He has also been in a leadership role in the water industry having served as President and a member of the executive committee of the National Association of Water Companies, a non-profit organization representing private water companies. He has more than 30 years of experience in business strategy, operations management, corporate finance and business problem-solving for regulated utilities, utility holding companies and highly competitive, non-regulated utility affiliates.

Prior to joining American States Water Company, Mr. Sprowls spent 21 years at CILCORP Inc., or CILCORP, a public utility holding company whose largest subsidiary, Central Illinois Light Company, served approximately 250,000 gas and electric utility customer connections. During his tenure with CILCORP, Mr. Sprowls held positions as President, Business Unit Leader – Energy Delivery, Chief Financial Officer (CFO) and Treasurer of Central Illinois Light Company, CFO of a non-regulated subsidiary of CILCORP, QST Enterprises Inc., and Vice President and Treasurer of CILCORP. Mr. Sprowls left CILCORP and Central Illinois Light Company following the sale of the company to Ameren Corporation in 2003.

Mr. Sprowls is currently a member of the board of directors of the National Association of Water Companies and a member of the Southern California Leadership Council. He has served on the board of directors of CILCORP Inc. and Central Illinois Light Company. He has been a past chairman and a member of the board of directors of the Illinois Energy Association, a past chairman and a member of the board of directors of Goodwill Industries of Central Illinois and a committee chairman for the Heart of Illinois United Way Campaign.

He holds a BA degree in economics and business administration from Knox College in Illinois and a master's degree in business administration from Bradley University, also in Illinois. He is a Certified Public Accountant (Inactive) and a Certified Management Accountant.

Mr. John R. Fielder

Mr. Fielder was appointed by the board as a director of American States Water Company and Golden State Water Company in 2013. He has been a member of the audit and finance committee since January 2013 and a member of the ASUS committee since May 2013.

Mr. Fielder brings a unique blend of experience in the areas of public utility regulation, strategy, management and information technology matters as a result of over 40 years of experience at Southern California Edison Company.

Mr. Fielder was President of Southern California Edison Company from October 2005 until his retirement on December 31, 2010. As President, he was responsible for operations support, customer service, information technology, environmental affairs, state regulatory and public affairs and employee relations. Prior to his position as President, Mr. Fielder held various leadership positions at the Company, including Senior Vice President of Regulatory Affairs for 14 years and Vice President of Information Services.

Mr. Fielder has served on a number of not-for-profit boards during his career. He currently serves on the governing board of Long Beach Memorial Hospital and the hospital's Foundation board. He is a member of the Memorial Health Services investment committee. Since 2006, he has also served as a member of the board of the Rancho Los Cerritos Foundation, which supports a historic property and museum in Long Beach, California, and has served on the finance committee of the Foundation since 2012. He also served a two-year term as chair of the board of the Long Beach Aquarium of the Pacific in 2011 and 2012 and a term as the chair of the audit committee of the Aquarium in 2013 and 2014. In addition, he has served on the board development committee of Long Beach BLAST, a program to connect college students with youth facing adversity. He has also served on various industry association boards during his career.

Mr. Fielder has a BA degree from the University of California, Santa Barbara, an MBA from the University of California, Los Angeles, and a law degree from Pepperdine School of Law.

Ms. Anne M. Holloway

Ms. Holloway has been the chairman of the boards of directors of American States Water Company and Golden State Water Company since May 2019 and is a non-voting ex-officio member of each of the committees of the boards. Ms. Holloway has served as a director since 1998.

Ms. Holloway brings valuable expertise to the board in the areas of finance, human resources and corporate governance matters obtained through her experience in the financial services industry and her experiences in providing strategic advice to Fortune 500 companies.

Ms. Holloway was a partner at Navigant Consulting, Inc., a provider of financial and strategic consulting services to Fortune 500 companies, governments and governmental agencies from 1999 to 2000. She served as President of Resolution Credit Services Corp., a subsidiary of Xerox Financial Services, from 1992 to 1999 where she was responsible for, among other things, the successful resolution of financial guarantees on troubled tax-exempt bonds, the restructuring of debt and negotiation with the Resolution Trust Corporation. She also served as Chief Operating Officer of International Insurance Company, another company in the Resolution Group, where she was responsible for operations, human resources and technology. Prior to joining the Resolution Group, Ms. Holloway held various management positions with Shawmut National Corporation, a financial services company.

Ms. Holloway holds a BA degree from Newton College of the Sacred Heart and an MBA from Boston University. She has completed the Harvard Business School Executive Management program. In December 2018, she completed the Distinguished Careers Institute at Stanford University.

Ms. Holloway served as the chair of the Board of Trustees of Sacred Heart Schools in Atherton, California from 2008 to 2012. After she completed her chair role, she continued to support the school on the site management and development committees until 2013. She currently serves on the board of the Michael J. Fox Foundation for Parkinson's Research, and is a supporter of the Bing Center for the Arts at Stanford University and Good Tidings, an organization that designs, builds and funds sports and arts facilities for youth in need in Northern California. Until 2018, she had served as co-chair for the nominating and governance committee for City Year San Jose/Silicon Valley, a national organization that works with AmeriCorps volunteers to reduce dropout rates and improve high school proficiency locally in San Jose, California.